

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
	:	
THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	
	X	

**STATUS REPORT PURSUANT TO ORDER GRANTING MOTION OF OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR ORDER, UNDER BANKRUPTCY
RULE 2004, AUTHORIZING DISCOVERY OF TITLE III DEBTORS, OTHER THAN
COFINA, CONCERNING POTENTIAL AVOIDANCE ACTIONS**

To the Honorable United States Magistrate Judge Judith Gail Dein:

Pursuant to paragraph 4 of the Court’s *Order Granting Motion of Official Committee of Unsecured Creditors for Order, Under Bankruptcy Rule 2004, Authorizing Discovery of Title III Debtors, Other than COFINA, Concerning Potential Avoidance Actions* [Docket No. 4484] (the “Rule 2004 Order”), the Official Committee of Unsecured Creditors of All Title III Debtors (Other than COFINA) (the “Committee”), The Financial Oversight and Management Board for Puerto Rico, acting through its Special Claims Committee (the “FOMB” and, together with the

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Committee, the “Movants”), and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), acting on behalf of the Commonwealth of Puerto Rico, the Puerto Rico Highways and Transportation Authority, the Puerto Rico Electric Power Authority, and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (collectively, the “Recipients”), hereby submit this joint status report.

1. The document request authorized by the Rule 2004 Order asks each Recipient to produce, for any Transfer² made by such Recipient having a value of \$3 million or more during the two-year period preceding the commencement of its Title III case:

either a list of or other documents sufficient to identify: (i) the amount of such Transfer, (ii) the date of such Transfer, (iii) the Person who received such Transfer and/or the Person on whose behalf the Transfer was made, and (iv) a brief description of the nature of the Transfer sufficient to explain the purpose for which the Transfer was made.

2. To date, the Movants have received much of this information, but not all of it. Specifically, the Movants have not yet received: (i) information concerning Transfers to the Puerto Rico Government Development Bank; or (ii) information concerning Transfers related to pension payments. In addition, the Recipients have provided only limited information concerning tax refunds—specifically, they have provided lists of amounts of payments made on account of tax refunds but, citing legal privacy and confidentiality protections limiting the Commonwealth’s ability to share taxpayer information, have not provided the identities of the recipients of such refunds. The parties have met and conferred regarding these outstanding items

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order or the *Motion of Official Committee of Unsecured Creditors for Order, Under Bankruptcy Rule 2004, Authorizing Discovery of Title III Debtors, Other Than COFINA, Concerning Potential Avoidance* [Docket No. 4373], as applicable.

and believe that, with the exception of the tax payer identifying information, all items will soon be provided to the Movants.³

3. The parties are also continuing to confer as to the adequacy of certain of the information provided for those Transfers that have been identified, including, without limitation, the adequacy of the “description of the nature of the Transfer sufficient to explain the purpose for which the Transfer was made.” The Movants have informed the Recipients that they will likely require further explanatory information for many of the Transfers, and the Recipients have been receptive to this request. In addition, as part of their continuing investigation into potential avoidance actions, the Movants may require additional information falling outside the scope of the initial document request, such as information relating to Transfers that occurred more than two years before the Title III cases. The parties will confer on these issues and will inform the Court if judicial intervention is required.

4. Paragraph 4 of the Rule 2004 Order requires the parties to address in this status report the date for completion of the Recipients’ document productions. The parties have established a date of February 15, 2019 for the production of all information responsive to the initial document request, subject to any objections that remain unresolved on that date.

Dated: January 15, 2019

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³ The Movants have informed AAFAF that they would agree to maintain the confidentiality of the tax payer identifying information, but AAFAF has indicated that the Movants will not agree to produce such information, even on a confidential basis. The Movants reserve the right to continue to seek production of the tax payer identifying information, including the right to move to compel the production of such information if necessary.

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